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MICHAEL RODAK, JR.,

IN THE

Supreme Court of the United States

October Term, 1973

No. 73-1905

AMERICAN DAIRY OF EVANSVILLE, INC.

Petitioner,

—against—

KRAFTCO CORPORATION,

Respondent.

BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

OLIVER P. HOWES, JR.
Counsel for Respondent
60 East 42nd Street
New York, N. Y. 10017

KENNETH R. UMANS
of Counsel

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—against—

KRAFTCO CORPORATION,

Respondent.

BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

To the Honorable the Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

Respondent, Kraftco Corporation, opposer in the United States Patent Office, appellant below, prays that this Court not issue a writ of certiorari to review the judgment of the United States Court of Customs and Patent Appeals entered in the above entitled case on December 20, 1973.

Question Presented

Did the Court of Customs and Patent Appeals wrongfully decide that the claimed trademark of the petitioner, "LITE N' TASTY," so resembles a mark registered in the Patent Office, namely, respondent's mark "LIGHT N'

LIVELY" as to be likely when applied to the goods of the petitioner, lowfat milk, to cause confusion, or to cause mistake, or to deceive.

The Statute Involved

The Petition refers to the Statute Involved as the Lanham Act. Since there are five acts referred to in *Shepard's Acts and Cases by Popular Name* as Lanham Acts and the Statute here involved is commonly referred to as the Trademark Act of 1946 that name will be used herein, as it more accurately distinguishes it from the prior Trademark Acts of 1920, 1905 and 1881.

I Counter-Statement Of The Case

The nature of the proceedings below is difficult, if not impossible, to glean from the petitioner's Statement of the Case.

This is a trademark opposition proceeding that arose in the United States Patent Office before the Trademark Trial and Appeal Board. It involves the right of petitioner to register its claimed trademark "LITE N' TASTY" for lowfat milk. The decision of the Court of Customs and Patent Appeals denied that registration. The opinion of the Court Below shows that the basis of the denial of the right to register was that the mark sought to be registered, LITE N' TASTY, was likely to cause confusion with a previously registered mark because, considered in its entirety, when applied to the goods involved, it so closely resembled that previously registered mark, LIGHT N' LIVELY.

It is a simple opposition proceeding involving only the question of likelihood of confusion. No issues of interpretation, be it of a statute, treaty, ordinance or regulation,

are involved. Nor is there any Constitutional significance to the issue raised herein.

Petitioner, in its Statement of the Case, as it does throughout its Petition, mis-states the proofs as to evidence of confusion and concurrent use of the marks. Statements by petitioner that there was evidence of no actual confusion and of extensive concurrent use in the same marketing area appear on pages 4, 5, 6, 8, 9 and 10 of the Petition. For the reasons stated below such statements must be considered as misleading and in error.

1. The fact is that there was no testimony as to any instance of actual confusion, but there was no testimony by any witness of respondent that there was no actual confusion. While remarks of counsel to the Court Below during argument are not part of the record, it was not represented there, as petitioner states it was, page 4, that there was no actual confusion. Throughout the briefing of this case, petitioner has had to be advised that testimony that the witness, whether called by respondent or petitioner, did not know of any instance of actual confusion, is not testimony that there is no actual confusion.

Contrary to the statement at page 10 that there was "substantial evidence of no actual confusion," petitioner did not introduce evidence of no actual confusion. Petitioner's witness, its president, merely testified that he did not know of any actual confusion.

2. Petitioner's Statement of the Case also implies that the marks have been extensively used in the same marketing area since March 1968. This is not the fact.

The petitioner's date of first use is March 14, 1968. The respondent's testimony was taken on December 8, 1970. Thus, the only testimony as to use of the two marks during

the same time period is March 14, 1968 to December 8, 1970, not for the six year period implied by petitioner's statement at pages 4 and 5.

The petitioner's statement of the case implies, by use of the phrase "The market area of Indiana, Kentucky and Illinois", that the marketing area of petitioner is Indiana, Kentucky and Illinois. In actuality, the market area referred to is a 100-mile radius of Evansville, Indiana, which covers portions of the three states. (R 27). Respondent's witness testified that the only advertising of LIGHT N' LIVELY in Indiana would be "spill-over," (R 94) and respondent's witness said that he did not know if respondent's LIGHT N' LIVELY lowfat milk was sold in Evansville, Indiana.

II Reasons Why Certiorari Should Be Denied

A. The decision denying trademark registration to Petitioner being based on the Finding by the Court of Customs and Patent Appeals that the Marks, Considered in Their Entireties, When Applied to the Goods Involved Would Be Likely to Lead to Confusion Shows No Review is Necessary Since it is Not in Conflict with any Decision of this Court, is not in Conflict with Other Decisions of the Court of Customs and Patent Appeals and Fulfills the Intent of Congress in Enacting the Trademark Act of 1946.

1. The Congressional Intent in Prohibiting the Registration of Marks Which Are Likely to Cause Confusion When Applied to the Goods of the Parties Does Not Create Unlawful Monopolies in the Use of Words and is Fulfilled by the Decision of the Court Below

Contrary to the contention of petitioner, page 7, the decision of the Court of Customs and Patent Appeals, for which review is sought, is not contrary to the intent of Congress nor is it in conflict with a decision of this Court. There is no basis for granting the writ upon the first reason stated.

The opinion of the United States Court of Customs and Patent Appeals (Appendix B), filed with the decision which the petitioner prays this Court to review, clearly shows that no monopoly has been granted to respondent for a "common prefix," as petitioner erroneously contends in its first reason for granting the writ.

The opinion of the Court of Customs and Patent Appeals states as follows: "We think the marks, *considered in their entireties*, when applied to the goods involved, would be likely to lead to confusion." (Emphasis supplied.) This statement obviously does not give a monopoly to respondent with respect to all uses of the prefix "LIGHT N' ". The only protection to which respondent is entitled with respect to that prefix is when it is joined with the word "LIVELY" or some other term which is confusingly similar to "LIVELY" as applied to lowfat milk and related products.

Petitioner is wrong when it states at page 5 that the only similarity between the marks is the prefix "LIGHT N' " and its phonetic equivalent "LITE N' ". When the words "LIVELY" and "TASTY" are joined with said prefix and applied to lowfat milk, such words also create a confusing similarity of significance and commercial impression.

This decision follows a long line of cases decided by the Court of Customs and Patent Appeals which hold that the issue of likelihood of confusion between two marks is to be judged by a consideration of the marks in their entireties, not by comparison of their component parts, and of the marks as used on the goods of the parties. This rule is set forth clearly in *United-Hagie Hybrids* v. *Escambia Chemical Corp.*, 404 F.2d 987, 989 (CCPA, 1969):

> "Viewing the respective marks of the parties in their entireties, as we must, and considering the

different nature of the agricultural products, * * *" (page 989)

In trying to present a reason for this Court to grant a writ of certiorari, petitioner has leaned upon a thin reed in its reliance on the decision of this Court in *United Drug Company* v. *Theodore Rectanus Company*, 248 U.S. 90 (1918). At page 6 of the Petition, the petitioner quotes, out of context, the statement of this Court that "The owner of a trademark may not, like the proprietor of a patented invention, make a negative and merely prohibitive use of it as a monopoly." (Pages 97-98). In the *Rectanus* case, the Court was concerned not with a right to register a trademark in the Patent Office but with the effect to be given a United States trademark registration, under the Act of 1905, when the owner thereof by expanding his trade to distant markets came in conflict with subsequent but good faith adoption and use of the same or similar mark. Under the Trademark Act of 1905 a registration was not constructive notice of the rights of the registrant. The Court said with respect thereto, "Nor is there any provision making registration equivalent to notice of rights claimed thereunder." Accordingly, this Court held that by merely registering a mark, the registrant did not have a monopoly over its use in markets where the mark was not known or used.

This policy has been changed. The Trademark Act of 1946 now provides in Section 22, 15 U.S.C. 1072, that "registration of a mark on the Principal Register provided by this Act or under the Act of March 3, 1881, or the *Act of February 20, 1905*, shall be constructive notice of the registrant's claim of ownership thereof." Thus, not only is the petitioner's reference to the case of *United Drug Company* v. *Theodore Rectanus Company* made without

reference to the facts or holding in that case, but it is clear that the intent of Congress in enacting the Trademark Act of 1946, the Statute involved, was that the owner of a trademark registration shall have a monopoly as to the use of that mark on the goods covered by the registration, or as to any mark which so resembles the previously registered mark that when applied to the goods of the second comer, confusion as to source is likely.

Finally, the petitioner's contention (Pet. pages 8, 9) that the Court below departed from its decision in *E. I. duPont de Nemours & Co.*, 476 F.2d 1357, (C.C.P.A. 1973) by disregarding the realities of the market place is completely without merit.

One of the realities of the marketplace is that the absence of extensive concurrent use of the marks, as was the case herein, explains the lack of evidence of actual confusion where one mark is held to so resemble another when applied to the goods involved that confusion is likely.

Another reality of the marketplace recognized in Section 22 of the Trademark Act of 1946 is the right of the registrant to expand the use of the mark to new markets after registration without interference by subsequent local users. The decision of the Court of Customs and Patent Appeals in this case, as in its other cases where a likelihood of confusion has been found despite a lack of proof of actual confusion, protects the public from deception.

Since the reality of the situation is that respondent has the right to expand its use of its registered mark to the petitioner's marketing area, the decision of the Court below recognizes that confusion of the public is likely when that expansion takes place and, therefore, because it is the public interest that is to be protected, the application for registration of the confusingly similar mark has been denied, as was the intent of Congress in enacting the Trademark Act of 1946.

Before the enactment of the Trademark Act of 1905 and long before the enactment of the Trademark Act of 1946, it was recognized that "It does not tend to foster monopoly to sustain the right, if one has acquired it, to the exclusive use of a trademark, the establishment of such a right does not restrain in any degree the manufacture or sale by others of the article or commodity to which the trademark is attached. It is simply the protection of property." *Independent Baking Company* v. *Boorman*, 138 Fed. 726, 728 (D. N.J., 1904)

There is, therefore, no conflict between the decision of the Court of Customs and Patent Appeals and any decision of this Court or Statute of the United States.

2. The Decision of the Court of Customs and Patent Appeals was not a Departure From the Rules of Law Established by that Court for Determining the Issue of Likelihood of Confusion

The desperate position of the petitioner is further demonstrated by its second stated reason for granting a writ of certiorari. The petitioner claims that the decisions rendered by the Court of Customs and Patent Appeals in two cases involving petitioner's trademark are in direct conflict. Nothing can be further from the truth, and it is submitted that it is petitioner's position in the two cases that presents a conflict and not the decisions of the Court of Customs and Patent Appeals.

Petitioner contends that LITE N' TASTY does not so resemble LIGHT N' LIVELY, when applied to lowfat milk, that confusion is likely. The Court of Customs and Patent Appeals did not agree with this contention.

The petitioner also contended in *American Dairy of Evansville* v. *Edlo Enterprises*, that TRIM N' TASTY does so resemble LITE N' TASTY, when applied to lowfat milk,

that confusion is likely. The Court of Customs and Patent Appeals did not agree with this contention.

While the record herein shows the considerable sales which respondent has made, the extensive advertising of LIGHT N' LIVELY, and the manner in which the mark has been presented to the public, there is no way here of judging what facts as to use and advertising were presented in the case of LITE N' TASTY and TRIM N' TASTY.

From time immemorial the Court of Customs and Patent Appeals has stated that each case must be decided on its own facts and the citation of prior cases is of little value in judging the question of confusing similarity between two marks. The Court of Customs and Patent Appeals, in commenting on the decisional process in likelihood of confusion cases, has stated, "As so often said, each case must be decided on its own facts." In re *E. I. duPont de Nemours & Co.*, 476 F.2d 1357, 1361 (1973).

Certainly, the findings of likelihood of confusion in this case and the failure to find it in *American Dairy of Evansville, Inc.* v. *Edlo Enterprises* is not the conflict in lower court decisions for which certiorari is to be granted.

The petitioner, in arguing that the Court of Customs and Patent Appeals, referred to by petitioner as the Lower Court, has departed from established law in holding that LITE N' TASTY so resembles LIGHT N' LIVELY as applied to lowfat milk, relies on the case of *E. I. duPont de Nemours & Co.*, 476 F.2d 1357 (CCPA, 1973), and again erroneously states, page 8, that the record clearly establishes that the two trademarks in question have been used concurrently and continuously in the same marketplace since March 1968, without one single instance of actual confusion.[1]

[1] The petitioner's misconception of the facts as to concurrent use and evidence of confusion are discussed in respondent's Counter-Statement of the Case. *Supra*, pp. 3-4.

First, there is no evidence of concurrent use in the same marketplace. Secondly, the testimony as to use of the two marks during the same time period is March 14, 1968 to December 8, 1970. The implication that the marks have been used concurrently and continuously in the same marketplace for six years simply does not stand scrutiny.

In support of its second reason for grant of the writ, the respondent is seeking to impose a rule that actual confusion is necessary in trademark opposition cases. The rule has always been in the Court of Customs and Patent Appeals that proof of actual confusion is not essential to a finding of likelihood of confusion. *Southern Enterprises, Inc.* v. *Burger King of Florida, Inc.*, 419 F.2d 460 (1970). *Coca Cola Company* v. *Clay*, 324 F.2d 198 (1963).

In *Salem Commodities Inc.* v. *Miami Margarine Co.*, 244 F.2d 729 (CCPA 1957), the Court reversed the decision dismissing the opposition to registration of NU-MAID for margarine based upon the opposer's prior use of NU MADE for salad dressing, sandwich spread and French dressing. The opposer had used its mark for mayonnaise since 1935. The applicant had used its mark since 1936. The Court said (page 731):

> "The record indicates that there has been concurrent use by the parties of their respective marks for a long period, and there is no evidence of actual confusion. However, there is no clear showing as to the extent to which the goods were sold in the same localities. *It is well settled that evidence of actual confusion is not necessary to show that likelihood of confusion exists. Norris, Inc.* v. *Charms Co.*, 111 F.2d 479, 27 CCPA, Patents 1174. Under the circumstances of this case, and in view of the close similarity between the marks involved, we are

> of the opinion that the lack of evidence of actual confusion does not establish that confusion would not be likely to occur from the concurrent use of those marks." (Emphasis added)

The petitioner's additional argument that the Court of Customs and Patent Appeals did not consider the significance of the marks as applied to the goods in the marketplace is equally without merit.

The respondent introduced evidence of extensive use and wide advertising of its mark in which the theme was stressed that respondent's LIGHT N' LIVELY mark is low in fat but has regular milk taste. This advertising acknowledged the fact that many people are reluctant to drink lowfat milk because they believe it lacks taste, or regular milk flavor. (Opp. Exs. 44-56; R 69)

While the marks are not shown to have been used concurrently in the same marketplace, there was evidence that in the market situation involved, the words "LIVELY" and "TASTY" in the marks LIGHT N' LIVELY and LITE N' TASTY have the same meaning and stimulate the same reaction—namely, lowfat milk with the taste of regular milk. Respondent's mark suggests this and the mark of petitioner, the second comer, describes it. The finding of confusion by the Court of Customs and Patent Appeals obviously took into consideration, as the duPont court cautioned, "all of the known circumstances surrounding use of the mark," which were in the record before it and did not merely engage in a mental exercise.

The petitioner, in discussing *E. I. duPont deNemours*, from which it claims the Lower Court departed, fails to set forth the 13 enumerated considerations that the Court stated "when of record, must be considered." There was evidence of six of these considerations and there was

nothing in the opinion to indicate that the decision was not based on consideration of such evidence. This evidence includes:

(1) The similarity of the marks in their entireties as to appearance, sound, connotation and commercial impression;

(2) The similarity and nature of the goods, which here are identical;

(3) The similarity of established likely to continue trade channels;

(4) The conditions under which and buyers to whom sales of impulse items such as lowfat milk are likely to occur;

(5) The fame of a prior mark as shown by sales, advertising and length of use; and

(6) The variety of goods on which the prior mark is used.

Clearly, by any test the decision of the Court Below is not in conflict with its own rules for determining likelihood of confusion enunciated In re *E. I. duPont deNemours & Co.*, 476 F. 2d 1357 (1973).

3. The Opinion of the Court of Customs and Patent Appeals Shows that its Decision was Reached by Applying the Statutory Language of Section 2(d) of the Trademark Act to the Facts of the Case and that it Was Not Based Upon Speculation

The third reason submitted by the petitioner for the granting of a writ of certiorari repeats one of the contentions set forth in the other two reasons, namely, the argument that there is no evidence of actual confusion. As set forth in reason 3, pages 10-11, it is no more persuasive than in the other two ineffectual arguments.

Frankly, it is difficult to understand petitioner's presentation of the third reason as stated in the paragraph following No. 3 on page 10. Presumably, what petitioner intends to say is that the Court of Customs and Patent Appeals found likelihood of confusion by making a simple comparison of the marks and having found each to bear the prefix "LIGHT N' ", or its phonetic equivalent, concluded the marks were confusingly similar. The result, as characterized by petitioner, is to grant respondent an unlimited monopoly to the prefix "LIGHT N' ", a monopoly which petitioner contends is contrary to the Congressional intent in enacting the Trademark Act of 1946. Examination of the argument shows that there is no basis in fact or law for agreeing with petitioner.

First, petitioner wrongly asserts that there was "substantial evidence of no actual confusion." This bald assertion has no documentation in the record and, indeed, there cannot be any. There may not have been any evidence of actual confusion, but there certainly was no evidence adduced that there was no actual confusion. *Supra* page 3. As has been repeatedly pointed out to petitioner, the record only shows that no one who testified knew about anyone being actually confused, but this is not evidence that there has been no actual confusion.

Secondly, the petitioner's assertion that the Court Below reversed the decision of the Trademark Trial and Appeal Board on the basis of a bare comparison of the marks is not justified by reference to the opinion set out in Appendix B to the Petition. The opinion shows that the marks were considered in their entireties and as applied to the goods involved.

Thirdly, petitioner implies that the opinion which states "we think the marks, considered in their entireties, when

appled to the goods involved, would be likely to lead to confusion" indicates a speculation by the Court Below on the probability of confusion. Here, again, the petitioner fails to comprehend the clear import of the Court's language. There is no indication in the Court's opinion that they doubted the correctness of their conclusion. Their conclusion is not stated as a probability or a possibility. It is a flat statement that the four judges of the Court of Customs and Patent Appeals, charged with hearing appeals in trademark matters day in and day out, have concluded that the marks, considered in their entireties, when applied to the goods involved, would be likely to lead to confusion. This opinion is totally consistent with the intention of Congress that no mark shall be registered which so resembles a mark registered in the Patent Office as to be likely, when applied to the goods of the applicant, to cause confusion, or to cause mistake, or to deceive. 15 U.S.C. 1052(d).

The decision and opinion of the Court of Customs and Patent Appeals is in no way in conflict with the Trademark Act of 1946 or the intent of Congress in enacting said Statute.

CONCLUSION

There are no important or special reasons for granting a writ of certiorari in this case.

The case does not involve the Constitutional validity of the Trademark Act of 1946 nor does it involve construction of that Statute.

At page 8 of the Petition, the petitioner quotes the Court of Customs and Patent Appeals to the effect that, "The ultimate question of the likelihood of consumer con-

fusion has been termed a question of fact. *Coca Cola Company* v. *Snow Crest Beverages, Inc.*, 162 F.2d 280." *In re E. I. duPont deNemours & Co.*, 476 F.2d 1357, 1361.

Stripped of its inaccurate, undocumented assertions, the petitioner really presents a request that the Court review a question of fact in an ordinary trademark opposition.

There is no showing that the decision of the Court of Customs and Patent Appeals in this case is in conflict with the decisions of this Court, the Court of Customs and Patent Appeals or any other Court.

References to the 13 enumerated criteria for determining the question of likelihood of confusion as set forth by the Court Below in its earlier decision of *In re E. I. duPont deNemours & Co., supra,* shows that the Court Below did not depart from the usual course of judicial proceedings in determining the sole issue presented in this opposition proceeding, namely, does the petitioner's mark so resemble the previously registered mark of respondent that when applied to the goods of petitioner it is likely to cause confusion, deception or mistake.

The clear language of the Court Below shows that it considered the criteria it had enumerated and its decision shows that it followed the statutory prohibition against registering confusingly similar marks.

The Petition should be denied.

Respectfully submitted,

OLIVER P. HOWES, JR.
60 East 42nd Street
New York, New York 10017
Counsel for Respondent

KENNETH R. UMANS
New York, New York
Of Counsel: